

## STATE OF SOUTH CAROLINA

## (Caption of Case)

In the Matter of:

Revisions to Articles 3 and 4 of  
the Commission's RegulationsBEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA

## COVER SHEET

DOCKET

NUMBER: 2007 - 19 - EG

(Please type or print)

Submitted by: Catherine E. Heigel

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NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

## DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition☐ Request for item to be placed on Commission's Agenda  
expeditiously☐ Other:

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request	
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification	
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input checked="" type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other: _____	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest		
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report		

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LEGAL DEPARTMENT

Duke Energy Corporation  
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Charlotte, NC 28202

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Charlotte, NC 28201-1006

July 13, 2007

The Honorable Charles L.A. Terreni  
Chief Clerk and Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29210

Re: Proposed Revisions to Article 3 of the Commission's Regulations  
**Docket No. 2007-19-EG**

Dear Mr. Terreni:

Duke Energy Carolinas, LLC ("Duke Energy Carolinas" or the "Company") appreciates the opportunity to provide the Public Service Commission of South Carolina (the "Commission") with several final comments on the proposed revisions to Article 3 of the Commission's regulations as transmitted by the Commission to the South Carolina Legislative Council on May 9, 2007 (the "Commission Proposal").

Duke Energy Carolinas worked for several months with the other regulated utilities and the Office of Regulatory Staff ("ORS") to propose amendments to the Commission's regulations that the Company believes would (i) provide necessary updates to promote consistency with Act No. 175 of 2004; (ii) clarify reporting and service obligations of the electrical utilities to better serve the public interest; and (iii) make needed editorial corrections to reduce ambiguity within the regulations. These amendments were then presented to the Commission by ORS on March 7, 2007 in the form of a joint proposal (the "Joint Proposal").

The Company appreciates the Commission's efforts in this docket and believes the Commission Proposal reflects its dedication and commitment to the public interest. The Company respectfully requests, however, that the Commission reconsider several of its proposed revisions to the regulations, and in lieu thereof, adopt the amendments as presented in the Joint Proposal. In particular, Duke Energy Carolinas wishes to affirm the comments offered by SCE&G and provide several additional comments in support of the Joint Proposal amendments for the following provisions in Article 3:

103-315: Duke Energy Carolinas shares the concerns raised by SCE&G with regard to the significant amendment proposed to this section in the Commission Proposal. In addition, the Company does not believe this section should be revised to create a complaint procedure for customer property damage disputes. Because the Commission

does not have jurisdiction to determine damages, Duke Energy Carolinas does not believe such a procedure would be appropriate. If the amendment to this section contained in the Joint Proposal is not acceptable to the Commission, Duke Energy Carolinas respectfully requests that the Commission make no changes to 103-315.

103-340(6): The revision contained in the Joint Proposal is intended to eliminate an ambiguity which currently exists in this section by making it explicit that the provisions of paragraph (6) will not apply where customer misconduct under paragraph (4) is involved. Under the existing rule, it is unclear which billing adjustment provision will govern when both paragraph (4) and paragraph (6) apply. For example, a customer may be undercharged due to machine error if the customer intentionally damages the Company's meter. In that situation, both "willfully misleading action" under paragraph (4) and "machine error" under paragraph (6) will apply. The difference this makes to the electrical utilities is the length of time for which they may recover for undercharges. The Company respectfully requests that the Commission take this opportunity to resolve this ambiguity by adopting the revision from the Joint Proposal. In its North Carolina service territory, Duke Energy Carolinas operates subject to Rule 8-44 of the Rules and Regulations of the North Carolina Utilities Commission, which does contain an explicit carve-out for customer misconduct. *See Rule 8-44, Method of Adjustment for Rates Varying from Schedule or for Other Billing Errors, Rules and Regulations of the North Carolina Utilities Commission.*

103-343: It is unclear to Duke Energy Carolinas from the "Section-by-Section Discussion" portion of the Commission Proposal why this section was deleted. The Company believes this section as amended in the Joint Proposal, or in the alternative as currently written, preserves important customer protections.

This comment letter incorporates by reference all prior written correspondence and comments received by the Commission from Duke Energy Carolinas relating to this docket, and the comments and proposed changes set forth in the Joint Proposal on March 7, 2007. Duke Energy Carolinas reserves the right to make any additional comments it deems appropriate and does not waive any additional comments or arguments related to any issue regarding the proposed regulations.

PLEASE NOTE THAT THIS LETTER IS AN EXACT DUPLICATE, WITH THE EXCEPTION OF THE FORM OF THE SIGNATURE, OF THE E-FILED COPY SUBMITTED TO THE COMMISSION IN ACCORDANCE WITH ITS ELECTRONIC FILING INSTRUCTIONS.

Duke Energy Carolinas sincerely appreciates the opportunity to comment and provide input in this process. Thank you for your consideration of the issues and concerns presented by Duke Energy Carolinas in this matter.

The Honorable Charles L.A. Terreni  
July 13, 2007  
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If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, reading "Catherine E. Heigel". The signature is written in a cursive style with a large, stylized "C" and "H".

Catherine E. Heigel

cc: L. Hammonds, Office of Regulatory Staff  
C. Burgess, South Carolina Electric & Gas Company  
L. Anthony, Progress Energy Carolinas, Inc.